sulted on the need for amendment of the S.D.F.C. Abolition Act of 1986?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Yes Sir.

(b) and (c) The proposed amendments are yet to be finalised. The Ministry of Food Processing Industries (MFPI) would be consulted before finalising the proposed amendments.

Payment of claims by subsidiaries of GIC

924. SHRI H. HANUMANTHAPPA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the subsidiaries of General Insurance Corporation have violated the Insurance Act by paying the claims to certain policy holders without collecting the premia from them before the occurrence of the accident;

(b) if so, what are the names of the subsidiaries who have violated the Insurance Act and action proposal to be taken against them and to recover payments made to the policy-holders before the occurrence of the accident; and

(c) what steps are proposed to be taken by Government to avert this?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (c) The information is being collected and will be laid on the Table of the House.

Hindrances for Foreign investment

925. SHRI SANGH PRIYA GAUTAM:
DR. NAUNIHAL SINGH:
SHRI O. RAJGOPAL:

Will the Minister of FINANCE be pleased to state:

(a) in what manner Japanese Industry has taken the economic reforms being carried out by the Indian Government;

(b) what are the reasons that India has been accorded such a low priority by Japanese industry; and

(c) what are the major problems which are still preventing greater foreign investment in India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) There are several indications that Japanese industry has welcomed the economic reforms being carried out by the Indian Government.

(b) There are several factors contributing to low investments by Japanese companies in India. Currently, recessionary, conditions in the Japanese economy have not been conducive to a step up in Japanese investment in India.

(c) The foreign investment climate is determined by a large number of factors relating to the state of the domestic economy, perceptions of the policy framework and direction of policy, the state of the World economy and the political atmosphere in the country. Government's determined efforts at reform of the stock markets have instilled confidence in the minds of foreign investors.

Steps to Boost up Capital Formation

926. SHRI BISHAMBHAR NATH PANDE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that an inflation rate of averaging 10 per cent a year has created a situation where the gross capital formation in rural sector has turned negative for the last many years;

(b) if so, what are the details thereof; and